



## DPS RESOURCES BERHAD

(Company No. 630878-X)

(Incorporated in Malaysia)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of DPS Resources Berhad (“DPS” or “Company”) will be held at the Conference Room, Lot 76 & 77, Kawasan Perindustrian Bukit Rambai, Bukit Rambai, 75250 Melaka on Wednesday, 25 June 2014 at 9.30 a.m., for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

#### SPECIAL RESOLUTION 1

#### **PROPOSED REDUCTION OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY VIA THE CANCELLATION OF RM0.40 PAR VALUE OF EACH EXISTING ORDINARY SHARE OF RM0.50 EACH TO RM0.10 EACH IN THE COMPANY PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 (“ACT”) (“PROPOSED PAR VALUE REDUCTION”)**

“THAT subject to the passing of Special Resolution 2, the sanction of the High Court of Malaya pursuant to Section 64 of the Act and approvals being obtained from the relevant authorities and parties, approval be and is hereby given to the Company to effect a reduction in the par value of all existing ordinary shares of RM0.50 each in the Company to RM0.10 each in the Company and the credit arising therefrom shall be utilised by the Company to offset against the Company’s accumulated losses and the remaining balance will be credited to other reserve of the Company which may be used as distributable reserves in accordance with the Article of Association of our Company and relevant applicable laws in the manner to be determined by our Board at a later date.

AND THAT the Board be and is hereby authorised to do all such acts and things that they may consider necessary or expedient to give effect to the Proposed Par Value Reduction with full power to assent to any term, condition, modification, variation and/or amendment as may be imposed or permitted by the High Court of Malaya and/or as a consequence of any such requirement or as may be deemed fit, necessary, expedient and/or appropriate and in the best interest of the Company.”

#### SPECIAL RESOLUTION 2

#### **PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION (“MOA”) OF THE COMPANY TO FACILITATE THE IMPLEMENTATION OF THE PROPOSED PAR VALUE REDUCTION (“PROPOSED AMENDMENT”)**

“THAT subject to the passing of Special Resolution 1, approval be and is hereby given to the Company to alter, modify, vary and delete the MOA of the Company in the following manner:

MOA		
Clause No	Existing Provision	Revised Provision
7	The capital of the Company is RM250,000,000 divided into 500,000,000 shares of RM0.50 each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attached thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.	The authorised share capital of the Company is RM250,000,000 divided into 2,500,000,000 shares of RM0.10 each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attached thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.

AND THAT the Board be and is hereby authorised to do or procure to be done all acts, deeds and things and execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to the Proposed Amendment with full power to assent to any term, condition, modification, variation and/or amendment as the Board may deem fit, necessary, expedient, appropriate and/or as may be required by any relevant authorities in connection with the Proposed Amendment.”

#### **ORDINARY RESOLUTION 1**

**PROPOSED JOINT VENTURE (“JV”) BETWEEN DPS DEVELOPMENT VENTURE SDN BHD (FORMERLY KNOWN AS TOKO INDUSTRIES SDN BHD) (“DPS DEVELOPMENT”), SHANTAWOOD SDN BHD (FORMERLY KNOWN AS SHANTAWOOD MANUFACTURING SDN BHD) (“SSB”) AND DPS REALTY SDN BHD (“DPSR”) TO JOINTLY DEVELOP THREE (3) PARCELS OF LAND KNOWN AS LOT 18565, LOT 18566 AND LOT 18567, MUKIM OF KRUBONG, STATE OF MELAKA BANDARAYA BERSEJARAH HELD UNDER GERAN MUKIM MALACCA CUSTOMARY LAND 773, 772 AND 771 RESPECTIVELY (“KRUBONG LAND”) (“PROPOSED JV 2”)**

“THAT subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5 and other relevant authorities being obtained, if any, the establishment of the JV between SSB and DPSR to jointly develop Krubong Land, in accordance with the terms and conditions of the JV agreement dated 13 September 2013 as varied by the supplemental JV agreement dated 21 January 2014 entered into between DPSR, SSB and DPS Development in relation to the Proposed JV 2 be and is hereby approved.

AND THAT the Board be authorised to do all such acts and things and to execute all necessary documents to give effect to the Proposed JV 2 with full and discretionary powers to make or assent to any modifications or amendments thereto in any manner they may deem fit, necessary or expedient in order to comply with any conditions or modifications which may be imposed or permitted by the relevant authorities.”

#### **ORDINARY RESOLUTION 2**

**PROPOSED JV BETWEEN DPS DEVELOPMENT, SSB AND DPSR TO JOINTLY DEVELOP THREE (3) PARCELS OF LAND KNOWN AS LOT 3949, LOT 3950 AND LOT 3951, MUKIM OF TANJONG MINYAK, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA BANDARAYA BERSEJARAH HELD UNDER PAJAKAN MUKIM 2297, 2298 AND 2299 RESPECTIVELY (“TM LAND”) (“PROPOSED JV 3”)**

“THAT subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5 and other relevant authorities being obtained, if any, the establishment of the JV between SSB and DPSR to jointly develop TM Land, in accordance with the terms and conditions of the JV agreement dated 13 September 2013 as varied by the supplemental JV agreement dated 21 January 2014 entered into between DPSR, SSB and DPS Development in relation to the Proposed JV 3 be and is hereby approved.

AND THAT the Board be authorised to do all such acts and things and to execute all necessary documents to give effect to the Proposed JV 3 with full and discretionary powers to make or assent to any modifications or amendments thereto in any manner they may deem fit, necessary or expedient in order to comply with any conditions or modifications which may be imposed or permitted by the relevant authorities.”

### ORDINARY RESOLUTION 3

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 659,838,788 NEW ORDINARY SHARES OF RM0.10 EACH IN THE COMPANY (“DPS SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING DPS SHARE HELD, TOGETHER WITH UP TO 395,903,272 FREE DETACHABLE WARRANTS (“RIGHTS WARRANTS”) ON THE BASIS OF THREE (3) RIGHTS WARRANTS FOR EVERY FIVE (5) RIGHTS SHARES SUBSCRIBED AT AN ENTITLEMENT DATE TO BE DETERMINED LATER, AFTER THE COMPLETION OF THE PROPOSED PAR VALUE REDUCTION (“PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS”)**

“THAT subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 4, Ordinary Resolution 5 and approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to:

- (i) provisionally issue and allot by way of a renounceable rights issue of up to 659,838,788 Rights Shares at an issue price to be determined later by the Board on the basis of two (2) Rights Shares for every one (1) existing DPS Share held, together with up to 395,903,272 free Rights Warrants on the basis of three (3) Rights Warrant for every five (5) Rights Shares subscribed by the shareholders of DPS whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board;
- (ii) determine the final issue price of the Rights Shares after taking into consideration the following:
  - (a) the theoretical ex-rights price (“**TERP**”) of DPS Shares, based on the five (5)-day volume weighted average market price (“**5D-VWAP**”) of DPS Shares with a discount to the TERP if deemed appropriate by the Board prior to the price fixing date to be determined later by the Board;
  - (b) the prevailing market sentiments at the point of price fixing;
  - (c) the par value of DPS Shares of RM0.10 each (after the completion of the Proposed Par Value Reduction); and
  - (d) the funding requirements of DPS and its subsidiaries, details of which are set out in Section 4.5 of Part A of the circular to shareholders of DPS dated 2 June 2014 (“**Circular**”);
- (iii) determine the exercise price of the Rights Warrants after taking into consideration the following:
  - (a) the 5D-VWAP of DPS Shares preceding the price fixing date;
  - (b) the TERP of DPS Shares; and
  - (c) the par value of DPS Shares of RM0.10 each (after the completion of the Proposed Par Value Reduction);
- (iv) constitute the Rights Warrants upon the terms and conditions of a deed poll to be executed by DPS (“**Deed Poll**”), the salient terms of which are as set out in Appendix I of the Circular;
- (v) issue and allot such other additional Rights Warrants as may be required or permitted to be issued as a result of any adjustment under the provisions of the Deed Poll;
- (vi) issue and allot such number of new DPS Shares arising from the exercise of the Rights Warrants during the tenure of the Rights Warrants;
- (vii) utilise the proceeds to be derived from the Proposed Rights Issue of Shares with Warrants in the manner as set out in Section 4.5 of Part A of the Circular and the Board be and is hereby authorised to revise the utilisation of the proceeds as they may deem fit and in the best interest of the Company;
- (viii) enter into and execute the Deed Poll constituting the Rights Warrants and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll.

THAT the Board be and is hereby authorised to deal with any fractional entitlements of the Rights Shares and Rights Warrants that may arise from the Proposed Rights Issue of Shares with Warrants, in such manner at their absolute discretion as they may deem fit or expedient or in the best interest of the Company.

THAT the Rights Shares with Rights Warrants which are not taken up or validly taken up shall be made available for excess applications by the entitled shareholders and/or their renounee(s) (if applicable) and such excess Rights Shares shall be allocated in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company.

THAT the Rights Shares and the new DPS Shares to be issued arising from the exercise of the Rights Warrants will, upon issuance and allotment, rank *pari passu* in all respects with the then existing DPS Shares, save and except that the Rights Shares and the new DPS Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution, the entitlement date of which is prior to the date of issuance and allotment of the Rights Shares and the new DPS Shares arising from the exercise of the Rights Warrants.

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Rights Issue of Shares with Warrants with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of Shares with Warrants.”

#### **ORDINARY RESOLUTION 4**

##### **PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF DPS AND ITS SUBSIDIARIES TO INCLUDE PROPERTY DEVELOPMENT (“PROPOSED DIVERSIFICATION”)**

“THAT, subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 5 and approvals of all relevant authorities (if any), approval be and is hereby granted to DPS and its subsidiaries to diversify its principal activities to include property development.

AND THAT, the Board be and is hereby authorised to do all acts, deeds and things as are necessary to give full effects to the Proposed Diversification with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities, and to take all steps and actions as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Diversification.”

#### **ORDINARY RESOLUTION 5**

##### **PROPOSED EXEMPTION TO DATUK (DR) SOW CHIN CHUAN (“DSCC”) AND PERSONS ACTING IN CONCERT WITH HIM (“PACS”), NAMELY DATIN CHU KIM GUEK (“DCKG”) AND ERIC SOW YONG SHING (“ERIC”) FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER TO ACQUIRE ALL THE REMAINING DPS SHARES AND CONVERTIBLE SECURITIES IN DPS NOT ALREADY OWNED BY THEM UNDER PARAGRAPH 16.1 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 (“CODE”) (“PROPOSED EXEMPTION”)**

“THAT subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4 and approvals being obtained from the Securities Commission Malaysia (“SC”), including but not limited to compliance with such conditions as may be imposed by the SC, approval be and is hereby given to exempt DSCC and his PACs, namely DCKG and Eric from the obligation to undertake a mandatory take-over offer for all the remaining DPS Shares and convertible securities in DPS not already owned by DSCC and his PACs under paragraph 16.1 of Practice Note 9 of the Code as set out in Section 7 of Part A of the Circular, which covers the following situations:

- (i) wherein the equity interest of DSCC and his PACs namely, DCKG and Eric in DPS increasing to more than thirty-three per centum (33%) upon completion of the Proposed Rights Issue of Shares with Warrants; or

- (ii) wherein DSCC and his PACs, namely DCKG and Eric have obtained control in DPS and their equity interest in DPS increasing by more than two per centum (2%) in any six (6) months period due to the issuance of new DPS Shares arising from the exercise of the Rights Warrants and/or warrants 2008/2018 constituted by the existing deed poll dated 21 November 2007.

AND THAT the Board be and is hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient or in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities, and to take all steps and actions as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Exemption.”

By Order of the Board

**LIM LI FANG (MAICSA 7012923)**

Company Secretary

Melaka

Date: 2 June 2014

Notes:

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not to be a member of the Company and the provisions of Section 149(a) and 149(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member appoints two or more proxies, the apportionment shall be invalid unless he/ she specifies the proportions of his shareholdings to be represented by each proxy.*
3. *Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.*
4. *Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if such appointer is a corporation, it must be under its common seal or under the hand of an officer or attorney duly authorised.*
6. *The instrument appointing a proxy to be deposited at the registered office of the Company at 50-1, 52-1 & 54-1, Jalan BPM 2, Taman Bukit Piatu Mutiara, 75150 Melaka not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
7. *Depositors whose names appear in the Record of Depositors on 19 June 2014 shall be regarded as Member of the Company entitled to attend, speak and vote at the Extraordinary General Meeting or appoint a proxy to attend and vote on his behalf.*